

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

September 29, 2019

Mr. Luis C. Fernández Trinchet
Executive Director
Economic Development Bank

Dear Mr. Fernández Trinchet:

According to public sources, the Economic Development Bank executed or approved a contract for the sale of a loan portfolio with a value of approximately \$41.5 million on September 7, 2018. This contract was not submitted to the Oversight Board for review and prior approval.

As you know, the Oversight Board established a contract review policy pursuant to Section 204(b)(2) of PROMESA to require Oversight Board approval of certain contracts to assure that they “promote market competition” and “are not inconsistent with the approved fiscal plan” (the “Policy”). All government contracts and amendments thereto with an aggregate value of \$10 million or more are subject to Oversight Board approval. Moreover, the Oversight Board in its discretion may review any contract below such threshold.

In accordance with the Policy, we hereby request that the contract mentioned above be submitted to the Oversight Board not later than October 4, 2019 together with an explanation of the reason for the failure to submit such contract prior to its execution.

Please note that the Oversight Board may issue subpoenas and exercise any other powers granted to it under PROMESA in order to effectuate the Policy.

Sincerely,

Natalie A. Jaresko

CC: Mr. Omar Marrero Díaz
Mr. Elí Díaz Atienza